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# THE SLICK CORPORATION

1968 Annual Report

AIR POLLUTION CONTROL EQUIPMENT dust collectors wet scrubbers packed towers cyclone collectors electrostatic precipitators fiber glass filter media . . . WATER AND WASTE TREATMENT CHEMICALS AND SERVICES coagulants coagulant aids corrosion inhibitors antiscalants biocides antiprecipitating agents . . . FOOD PRODUCTS salad oils margarines shortenings hard butters specialty oils and fats . . . DAIRY CHEMICALS emulsifiers stabilizers cleaners lubricants . . . SPECIALTY CHEMICALS FOR INDUSTRY jet engine lubricants cosmetic and pharmaceutical ingredients plastic additives plasticizers metal lubricants finishes for man-made fibers textile softeners and mothproofing agents . . . CATALYSTS nickel carbonate nickel formate nickel sulfate activated nickel . . . PULVERIZING MACHINERY mikro-pulverizer mikro-atomizer mikro ACM pulverizer . . . AIR POLLUTION CONTROL EQUIPMENT dust collectors wet scrubbers packed towers cyclone collectors electrostatic precipitators fiber glass filter media . . . WATER AND WASTE TREATMENT CHEMICALS AND SERVICES coagulants coagulant aids corrosion inhibitors antiscalants biocides antiprecipitating agents . . . FOOD PRODUCTS salad oils margarines shortenings hard butters specialty oils and fats . . . DAIRY CHEMICALS emulsifiers stabilizers cleaners lubricants . . . SPECIALTY CHEMICALS FOR INDUSTRY jet engine lubricants cosmetic and pharmaceutical ingredients plastic additives plasticizers metal lubricants finishes for man-made fibers textile softeners and mothproofing agents . . . CATALYSTS nickel carbonate nickel formate nickel sulfate activated nickel . . . PULVERIZING MACHINERY mikro-pulverizer mikro-atomizer mikro ACM pulverizer . . . AIR POLLUTION CONTROL EQUIPMENT dust collectors wet scrubbers packed towers cyclone collectors electrostatic precipitators fiber glass filter media . . . WATER AND WASTE TREATMENT CHEMICALS AND SERVICES coagulants coagulant aids corrosion inhibitors antiscalants biocides antiprecipitating agents . . .





## HIGHLIGHTS

### THE SLICK CORPORATION

	<u>1968</u>	<u>1967</u>
	(000)	
Sales:		
Drew .....	\$ 91,498	\$ 92,216
Pulverizing Machinery .....	13,470	11,993
	<u>104,968</u>	<u>104,209</u>
Income of continuing operations:		
Before extraordinary item.....	1,854	2,356
Extraordinary item .....	905	1,180
	<u>2,759</u>	<u>3,536</u>
Income of discontinued operations...	55	243
Net income .....	<u>\$ 2,814</u>	<u>\$ 3,779</u>
Per common share:		
Continuing operations:		
Before extraordinary item.....	\$.61	\$ .83
Extraordinary item .....	.30	.44
	<u>.91</u>	<u>1.27</u>
Discontinued operations .....	.02	.09
Net income .....	<u>\$.93</u>	<u>\$1.36</u>

### FILTROL CORPORATION

	<u>1968</u>	<u>1967</u>
	(000)	
Gross income .....	\$24,612	\$18,810
Net income .....	<u>5,780</u>	<u>3,474</u>
Per share .....	<u>\$2.20</u>	<u>\$1.32</u>

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ANNUAL MEETING: The annual meeting of stockholders will be held on Wednesday, May 14, 1969 at 10 A.M. Eastern Daylight Time in the Hotel Roosevelt, New York City.

## TO OUR SHAREHOLDERS:

The Slick Corporation made marked progress in 1968 and early 1969 in its program to grow and to expand its diversified but integrated activities through acquisition. Since acquiring Drew Chemical Corporation early last year, Slick brought three additional companies into the organization, each of which extended and strengthened its position in growth markets where we already were established.

On March 21, 1969, Slick's exchange offer for the common stock of Filtrol Corporation was successfully concluded, with our acquisition of over 50% of the common shares, or a controlling interest, in Filtrol. Filtrol is now a subsidiary of Slick, and it is our intention to ask the shareholders of our company and of Filtrol to approve a merger of the two companies. Filtrol has brought an anti-trust suit seeking to prevent Slick from exercising its voting control. In the opinion of counsel for Slick, this action is without merit.

Filtrol produces petroleum cracking catalysts used in petroleum refining and adsorbents and decolorizing agents used in the processing of animal and vegetable fats and petroleum oils. Its product lines and those of Drew Chemical are complementary in numerous instances.

If our interest in Filtrol were included with Slick in 1968 and 1967, the pro forma per common share earnings would appear as follows:

	1968	1967
Income of continuing operations . . . .	\$ .81	\$ .71
Extraordinary item . . . . .	.16	.22
	.97	.93
Discontinued operations . . . . .	.01	.05
Net income . . . . .	<u>\$ .98</u>	<u>\$ .98</u>

In line with one of our major corporate objectives to grow in the air pollution control field, we also acquired in 1968 Airetron Engineering Corporation and Menardi & Company. These two companies, whose operations have been included in our Pulverizing Machinery Division, greatly extended our air pollution product line to include wet scrubbers, cyclone collectors, packed towers, electrostatic precipitators, as well as fiber glass filter media for dust collectors. As a result, Slick is one of the few companies in this fast growing field offering a full line of basic equipment for controlling air pollution.

Vegetable oil prices became more stable in the fourth quarter contributing to an improvement in sales and earnings of Drew Chemical over the previous quarter and over the fourth quarter of 1967. Our Pulverizing Machinery Division set a new high in sales in 1968, reflecting the

Airetron and Menardi acquisitions and a continuing strong demand for its MIKRO dust collectors and particle reduction equipment.

In programming for further growth, we are concentrating our efforts in the high margin areas of chemical specialties and air and water pollution control. In order to free our capital and to focus our attention on this program, Slick sold the assets of its Illinois Shade Division for \$7 million on March 5, 1969.

As previously reported, as a result of the approval by the Civil Aeronautics Board of the transfer of Slick's trans-continental common carrier airfreight certificate to Airlift International, Inc., Slick will receive 10 year warrants to purchase 1,451,877 shares of Airlift's common stock and 10 year warrants to purchase Airlift debentures convertible into 559,722 shares of Airlift's common stock, exercisable initially for the most part at prices equivalent to \$3-1/3 per share. These warrants are in addition to the warrants to purchase 547,200 and 437,760 shares of Airlift's common stock at per share prices of \$3-1/3 and \$4-1/6 respectively, which Slick received resulting from the transfer and lease to Airlift of Slick's airline assets completed in 1966.

We look to 1969 with enthusiasm in spite of a slow January and February resulting from the East Coast and Gulf port strike which affected our marine, edible oil and Pulverizing Machinery operations. In addition to the benefits of the Filtrol acquisition, our active acquisition program has expanded our participation in the air pollution control field. Volume for Drew's water and waste treatment products is steadily growing, and we are making significant progress in improving our product mix at Drew and in lowering manufacturing costs.

On behalf of the Board of Directors and the officers of Slick, I want to extend our appreciation to our employees, customers and shareholders for their help during the past year. We also welcome the new shareholders who exchanged their Filtrol common stock for our new preferred shares.



ROBERT W. VAN TUYLE  
President

April 9, 1969



## PULVERIZING MACHINERY

Air Pollution Control and Product Recovery Equipment  
Air Pollution Control Filter Media  
Particle Reduction Equipment

Few industries have an outlook as promising as the air pollution control industry. The market for basic air pollution control equipment is expected to grow from about \$100 million in 1968, to over a billion dollars within the next 10 years. By means of acquisitions, a stronger marketing program, intensified research and development and plans for manufacturing abroad by two subsidiaries, Slick took a series of steps during 1968 to broaden its participation and potential in this worldwide growth field.

With its high efficiency fabric dust collectors, sold under the MIKRO trade name, Pulverizing Machinery has long been a leading factor in product recovery and air pollution control. In June, the acquisition of Airetron Engineering Corporation extended the Division's engineering capabilities and product line to encompass all of the basic equipment for controlling air pollution. Now in addition to fabric collectors, Pulverizing Machinery offers wet scrubbers, cyclone collectors, packed towers and electrostatic precipitators.

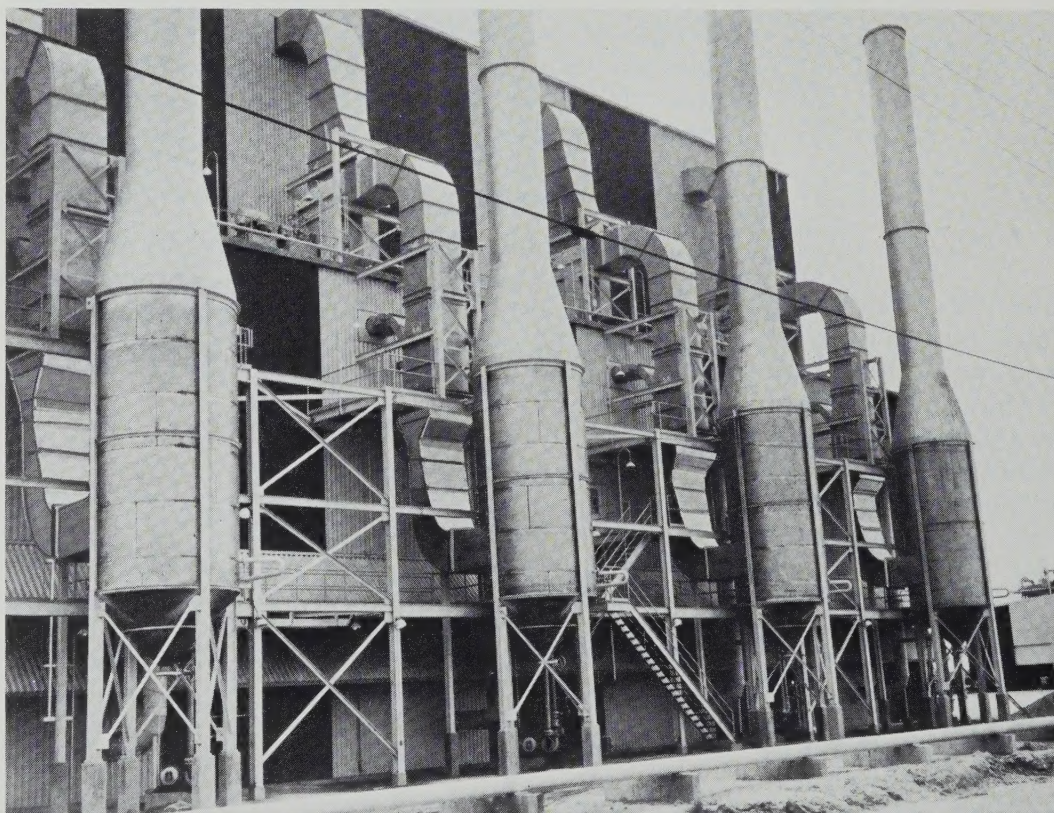


A further expansion of the product line resulted from the acquisition in December of Menardi & Company, producer of fiber glass filter media for high temperature applications. The Menardi products are expected to substantially increase the company's share of the filter bag market, particularly in the fast-growing replacement business.

Reflecting these acquisitions and a continuing good level of demand for MIKRO dust collectors and particle reduction equipment, 1968 sales established a new high of \$13,470,000.

Year-end backlog was at a record high, up 75% over booked orders at the end of 1967. The rate of incoming orders picked up sharply during the fourth quarter and is continuing at the same high rate in early 1969.

Marketing efforts were strengthened in 1968 with the addition of two new sales agents in the United States,



*Four of Slick's venturi wet scrubbers for phosphate rock calciners remove fluoride fumes and phosphate rock dust with recycled slurry.*



giving Pulverizing Machinery representatives in 32 market territories. Initial steps have also been taken to establish a subsidiary in Brazil.

Personnel of the Division's three international subsidiaries have been trained in the engineering and sales of the Airetron products and each subsidiary has already received orders for the new equipment. Management and technical staff of the Japanese licensee also completed training on the new product line, and licensees in Australia, Mexico and Argentina are scheduled to complete a similar training program in 1969.

Both the West German and English subsidiaries will commence manufacturing operations this year. Construction of a new plant near Cologne is proceeding on schedule and is expected to be in operation by mid-year. In late summer, the English subsidiary is scheduled to begin manufacturing in a plant now under construction near London.

New product development was given added emphasis during the past year and the budget for this activity has been increased again for 1969.

An intensive program aimed at broadening the scope of application of all of the air pollution control products is continuing. Research and development in Pulverizing Machinery's profitable particle reduction line is receiving renewed emphasis this year.

Based on the record backlog and the level of incoming orders, Pulverizing Machinery's operations this year should show an improvement over 1968.

Favoring the longer range outlook of the air pollution control market is the progress being made in implementing the Clean Air Act of 1967. The Department of Health, Education and Welfare has already designated six intra-state air quality control regions out of the 32 to be completed within the next several months. The Department is then to supply the regions with air quality control criteria and control technology available, after which the states will be expected to develop air quality standards and plans to implement the standards. As a leader in the pollution control field, Pulverizing Machinery should realize substantial sales generated by the federal and state activity.

*Slick fabric filter dust collector trapping shale dust in a concrete plant in Colorado. Shown left are a few of the 2,900 glass fiber bags in the system, the product of Menardi & Company which Slick acquired in December, 1968.*





## DREW CHEMICAL CORPORATION

**Chemical Group — Process Chemicals  
and Marine Divisions**

**Catalyst Division**

**Food and Food Chemical Specialties Group —  
Food Products, Dairy and Industrial Divisions**



AROUND THE WORLD

### CHEMICAL GROUP

More than 25 years ago, Drew started selling water treatment chemicals and services for land-based and marine power plants. The fundamental concept was to supply not only chemicals, but also a controlled program of testing and all other required engineering services.

With common production and research facilities, two marketing arms evolved, the Process Chemicals and Marine Divisions. From the start, the principal sales tool was a team effort—sales engineers backed by a professionally staffed technical department and laboratory.

The Chemical Group is Drew's fastest growing segment. Sales between 1962 and 1967 increased at an annual compounded rate of 18%. Last year's sales rose 21% over 1967 to set a new high. Significantly, the Process Chemicals and Marine Divisions have been growing at a faster rate than their respective overall markets.

This growth pattern is expected to be maintained or exceeded in 1969 and beyond, as the divisions continue to benefit from general market growth and new product development.

To accelerate development programs, the group's research staff was expanded by almost 50% last year. R&D activities are also benefiting from the new laboratory which the technical group occupied a year ago.

The Process Chemicals Division is a prime supplier of chemicals used in treating cooling waters. Drew's products and services solve cooling water problems by inhibiting scale and corrosion, preventing sludge deposits and controlling slime, algae and bacteria. Recent new products include non-toxic corrosion inhibitors, a new

series of dispersants for silt and sludge, as well as a new line of biocides for the control of biofouling.

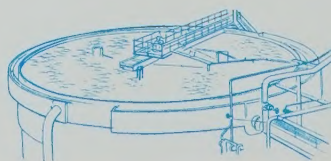
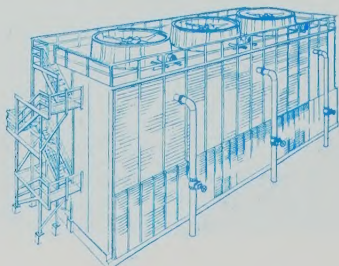
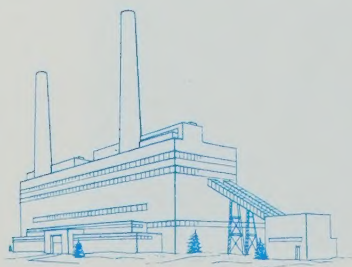
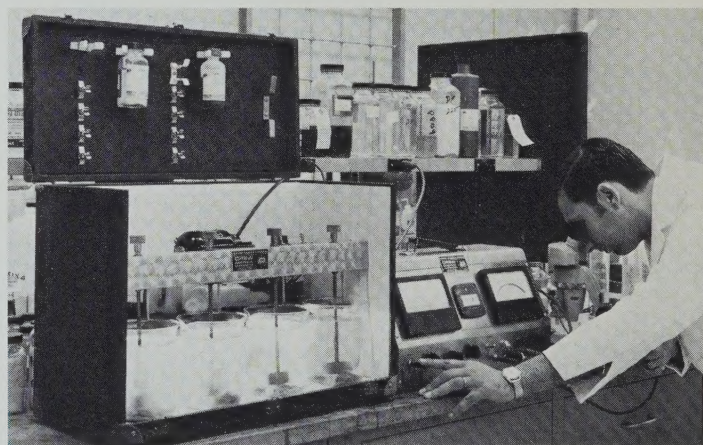
The Division's experience is broadly utilized by the paper industry. Products supplied include defoamers, retention aids, pitch dispersants, wire life extenders, felt washing detergents, softeners and rewetting agents.

Biocides are produced for the leather and sugar industries. Defoamers and coagulant aids have wide applications in sewage and industrial waste pollution control.

Market coverage both here and abroad was substantially broadened during the past year. In the U. S., the sales force was increased to nearly 100 chemists and engineers. In Europe, the sales group was also enlarged. Through a joint venture in Belgium, Drew's paper chemicals are distributed in Scandinavia and the Common Market countries.

From its beginning as a supplier of water treatment chemicals and services to the U. S. merchant fleet, the Marine Division has grown through the years to its present position as the largest worldwide supplier of water treatment and shipboard maintenance chemicals. In over 110 ports of the world, more than 7000 vessels are supplied with Drew specification products. The name

*Drew technician using a Zeta Meter, a new tool for studying unusual coagulation problems in raw water or process stream.*





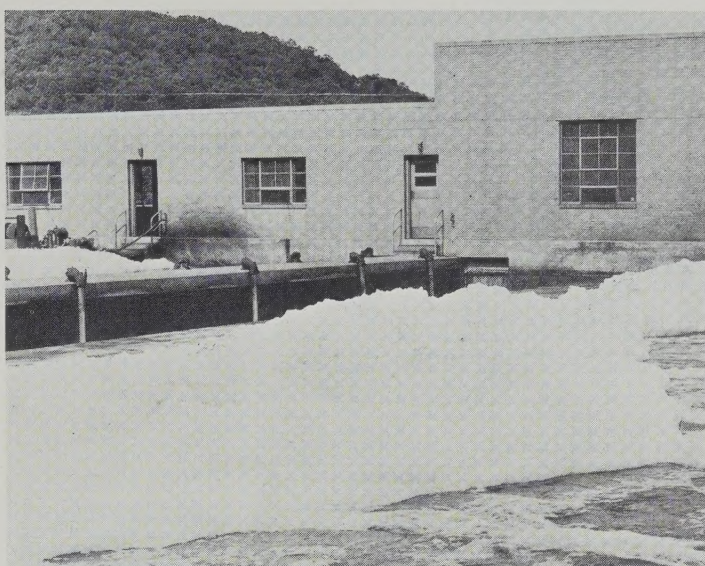
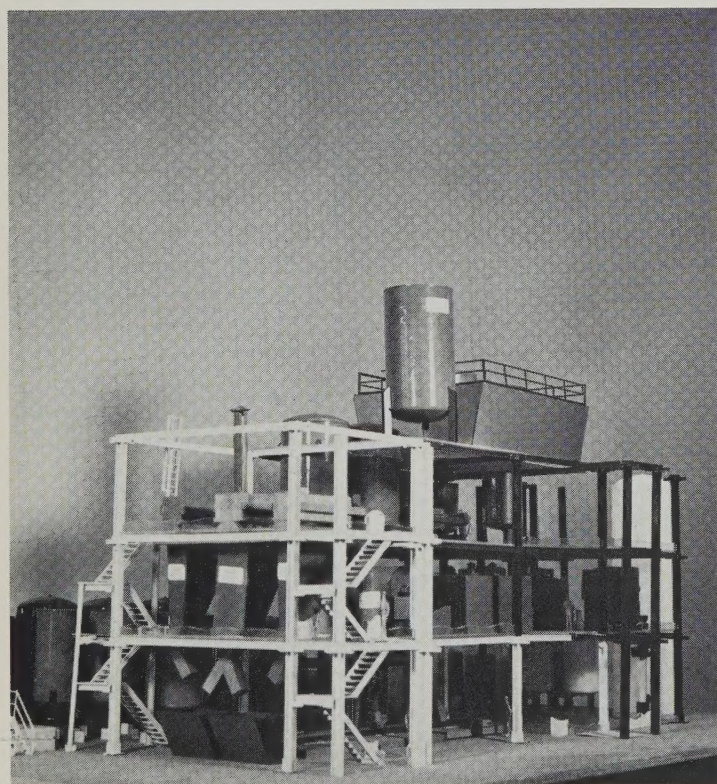
AMEROID is recognized worldwide for premium service and products.

In recent years, research and development efforts were broadened to produce a line of maintenance chemicals supplied for engineering and deck requirements of the large motor and steam ships. Included in the product catalog are fuel oil conditioners, general purpose degreasers, descalants, carbon removers, emulsion breakers, oil spill emulsifiers, motor cleaners and heavy duty detergents.

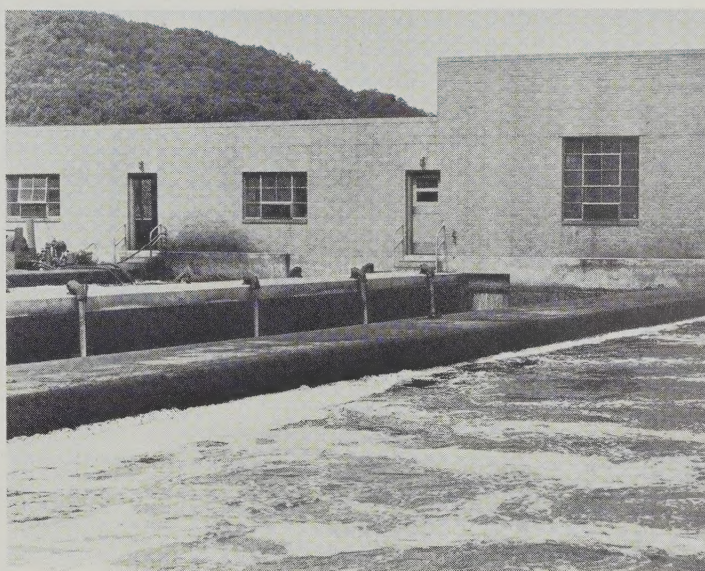
Of great importance to the shipowner is Drew's ability to supply identical products and services by a licensed engineer in all major supply ports from New York to Yokohama. Starting in 1963, the company organized wholly owned subsidiaries in the United Kingdom, Holland, Germany and Italy. Products for the Division are manufactured in the U.S., Canada, Brazil, Japan and Belgium.

Product literature, brochures, service bulletins and instructions for customer distribution are printed in over ten of the principal world languages.

The London-based tanker cleaning department has greatly expanded during the last two years. This department supplies detergents and emulsifiers for cleaning and gas-freeing petroleum tankers prior to drydocking or in upgrading cargo. Drew's licensed marine personnel are engaged by the fleet operators to supervise vessel cleaning as a part of this service. With its wide distribution and marketing apparatus as well as a growing product line, the Marine Division anticipates continued growth consistent with its established record.



*An activated sludge tank in a New Jersey sewage treatment plant, before and after a Drew defoamer was added to the primary effluent.*



#### CATALYST DIVISION

This Division of Drew is a major U. S. producer of nickel catalysts. Its products are nickel formate, nickel carbonate, nickel sulfate and activated nickel, used as catalysts in the hydrogenation of vegetable oils and in chemical processing.

With good margins, the Division makes a major contribution to Drew's profits on a relatively small sales volume. Significantly, sales have been showing steady growth and reached a new high in 1968.

*Model of a new catalyst plant to be constructed at Boonton this year.*



*Reflecting the rapidly growing usage of synthetic dairy products, demand for Drew specialty oils used in man-made coffee whiteners, whipped dessert topping and many other products is expanding rapidly.*

#### FOOD AND FOOD CHEMICAL SPECIALTIES GROUP

This group consists of three divisions—Food Products, Dairy and Industrial, which represent the largest section of Drew's sales operations.

The Food Products Division has long been a leader in the refining and processing of food oils, fats and food grade emulsifiers. The Division is highly diversified, supplying specialty fats for candy, convenience foods, puff pastry shortening, baker's margarine, regular shortening, salad oils, cooking oils, frying oil and fats, table margarine, mayonnaise and salad dressings.

One of the most promising developments in this Division and the group as a whole has been the success in upgrading the product lines to produce added value products and the continuing de-emphasis of bulk oil sales. A significant reason for the improvement in product mix has been an effective research and product development program. Of the Division's various markets, those for specialty oils and hard butters are the fastest growing, with each expanding at an annual rate of about 10%. Long a leader in these fields, Drew has been fully participating in the growth of the hard butter market and has been increasing its share of the market for specialty oils.

Among the products developed by the Division are a new coating fat, new topping fats and coffee whitener fats, an improved yeast plasticizer, and a new powdered fat used in creating mixtures for meat, fish, and poultry processing. Other new products include a high stability liquid coating and frying oil for frozen foods and chips.

During 1968, consumer soft margarines produced at the Boonton and St. Louis plants enjoyed good growth. It is anticipated that further growth will follow by reason

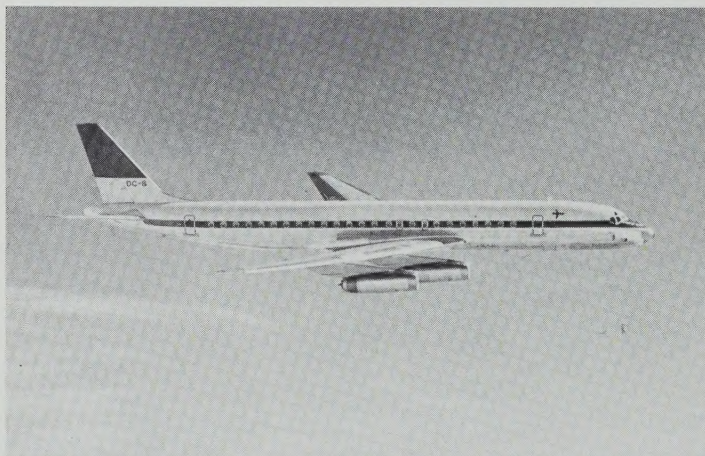


of newly developed products, improved packaging materials and specific market plans. The decision made by this Division to pioneer the round plastic cup for use in soft margarine has generally been emulated by the industry.

The Dairy and Special Products Division is Drew's marketing arm for specialized food ingredient products and services. The Division markets to the following segments of the food industry: dairy products—particularly frozen desserts and vitamin-fortified milk—pickles, peanut butter, and dehydrated potatoes. The Division also supplies cleaning and sanitizing materials, and chain conveyor lubricants, to the dairy and beverage industries.

The sale of frozen dessert emulsifiers and stabilizing gums, which impart desirable body and texture properties to frozen desserts, is a major segment of the product line. A novel product, Drew HY-DREWBEDS, combines stabilizers and emulsifiers into a unique beaded form, allowing their use in modern, high-volume ice cream processing where conventional products are used with difficulty.

An exciting growth area in the food industry is that of vegetable fat substitutes for dairy products. Division research has been applied to the development of a group of versatile products known as DREWBASES. Each of these products combines critical ingredients in proportions re-



*Drew is a major supplier of jet lubricants for commercial airlines, a market that is expected to double during the next five years.*



*The multi-billion dollar cosmetic industry, a major customer of Drew's Industrial Division, uses Drew emulsifiers, surfactants, emollients and other products to compound creams, lipsticks, lotions, bath oils and many more cosmetics.*

quired by the customer for his finished product. By using DREWBASES in combination with Drew vegetable fats, a dairy processor can manufacture a broad array of dairy product substitutes simply and with a minimum of technical knowledge. In offering this capability, Drew is unique in the ranks of vegetable fat processors.

Through its Industrial Division, Drew is an important supplier of distilled fatty acids and fatty acid derivatives to every major consumer and industrial area, including such fast growing markets as synthetic lubricants for jet engines, cosmetics and pharmaceuticals, plastics and textiles. Divisional sales again increased in 1968, with jet lubricants representing the fastest growing area. Drew is a major factor in the jet lubricant market for commercial airlines, supplying the synthetic lubricant base stock to the petroleum industry. Drew has been increasing its share of this market, and it is forecast that the commercial use of jet lubricants will double during the next five years.

The cosmetic and pharmaceutical industries use Drew emulsifiers, surfactants, emollients and other products to compound creams, lotions, lipsticks, bath oils and medicinal preparations. Both of these multi-billion dollar industries have been growing without interruption year after year.



Among the Division's other products used in growth industries are high temperature finishes for man-made fibers, softeners and permanent mothproofing compounds for the textile and carpet industries, and additives which prevent fogging of plastic food wraps.

In its research and development activities, the Industrial Division concentrates on converting a major part of its fatty acid production into added value products. During 1968, a new class of emulsifiers for cosmetics, textile and plastics applications was introduced along with a new line of anti-fogging agents for plastic wrapped meats. These are expected to contribute to further sales gains in 1969.

## FILTROL CORPORATION

Filtrol, Slick's new subsidiary, is a leading producer of petroleum cracking, desulfurization and hydrogenation catalysts. Filtrol also manufactures adsorbents, used in the refining of lubricating oils, animal and vegetable oils and fats, waxes, sulfur and for many other purposes; desiccants for absorbing moisture, primarily in packing; and decolorizing agents, gel type alumina and ammonium sulfate. Principal customers are petroleum refiners, animal and vegetable oil processors, airlines, truck fleet operators, suppliers to dry cleaners and the U.S. armed forces.

The petroleum cracking catalysts are manufactured at two plants in Vernon, California, and another in Salt Lake City. A fourth facility at Jackson, Mississippi, processes adsorbents and desiccants. Waste acid effluent at the Vernon plant is utilized in the production of ammonium sulfate, alumina and magnesia. The two latter products are used by Filtrol in the production of high alumina catalyst in microsphere form.

The principal raw materials for Filtrol products are

specialty clays, sulphuric acid and water. Bentonite and halloysite clays are both used in the manufacture of catalysts, adsorbents and desiccants, and Filtrol wholly or partly owns, or leases, 10 bentonite clay mining properties and has contracted for all the halloysite clay produced at the Dragon mines in Utah through 1988.

Filtrol products are sold primarily in the United States and Canada, with about 10% of total volume representing overseas sales.

While the outlook for Filtrol as a separate entity was favorable, it is anticipated that as a unit of the Slick organization its growth can be accelerated by a strengthened marketing program, including assistance from Drew's large and well-trained technical and sales staffs.

Research, development and new product activities at Filtrol, as in all of Slick's operations, will be geared to expanding marketing opportunities.



## ACCOUNTANTS' OPINIONS

*To the Shareholders and Board of Directors of  
The Slick Corporation:*

We have examined the consolidated balance sheet of The Slick Corporation and consolidated subsidiaries as of December 31, 1968 and the related statements of consolidated income, common stock, retained earnings and source and application of financial resources for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income, common stock, retained earnings and source and application of financial resources present fairly the financial position of The Slick Corporation and consolidated subsidiaries at December 31, 1968 and the results of their operations and the source and application of their financial resources for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also checked the application of the pro forma adjustments as of December 31, 1968, as set forth in Note 1 to the financial statements, to the pro forma balance sheet which gives effect to the acquisition of a majority interest in Filtrol Corporation and the sale of the Illinois Shade Division at substantially net asset value in March 1969, and, in our opinion, such pro forma balance sheet has been properly prepared to give effect to such pro forma adjustments.

HASKINS & SELLS

New York, March 26, 1969 (April 2, 1969  
as to information concerning Filtrol  
Corporation in Note 1 to the financial  
statements)

*Filtrol Corporation:*

We have examined the balance sheet of Filtrol Corporation as of December 31, 1968 and the related statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and earned surplus present fairly the financial position of the Corporation at December 31, 1968 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HASKINS & SELLS

Los Angeles, March 5, 1969





# STATEMENT OF CONSOLIDATED INCOME

For the Years Ended December 31, 1968 and 1967

	<u>1968</u>	<u>1967</u>
	(In Thousands of Dollars)	
Net Sales .....	<u>\$104,968</u>	<u>\$104,209</u>
Costs and Expenses:		
Cost of sales.....	84,603	84,719
Selling, general and administrative expenses.....	15,360	13,250
Depreciation .....	1,237	1,123
Interest and debt expense.....	1,741	1,850
Total .....	<u>102,941</u>	<u>100,942</u>
	<u>2,027</u>	<u>3,267</u>
Other Income (Charges):		
Leased flight equipment (Note 5):		
Rental income .....	2,233	2,422
Depreciation of equipment.....	(1,964)	(1,975)
Interest on equipment trust certificates.....	(152)	(300)
Net rental income.....	117	147
Other .....	572	618
Total .....	<u>689</u>	<u>765</u>
Income Before Income Taxes.....	<u>2,716</u>	<u>4,032</u>
Provision or Related Charge (Credit) for Income Taxes (Note 6):		
Federal income tax.....	63	614
Foreign income taxes.....	132	102
Charge equivalent to reduction in taxes arising from utilization of operating loss carryforwards .....	905	1,180
Amortization of deferred investment tax credit.....	(238)	(220)
Net .....	<u>862</u>	<u>1,676</u>
Income of Continuing Operations Before Extraordinary Item.....	1,854	2,356
Extraordinary Item—Credit arising from utilization of operating loss carryforwards in reduction of income taxes (Note 6).....	<u>905</u>	<u>1,180</u>
Income of Continuing Operations.....	2,759	3,536
Income of Discontinued Window Shade Operations (Note 1).....	<u>55</u>	<u>243</u>
Net Income .....	<u>\$ 2,814</u>	<u>\$ 3,779</u>
Per Common Share (Note 2):		
Continuing operations:		
Income before extraordinary item.....	\$ .61	\$ .83
Extraordinary item .....	<u>.30</u>	<u>.44</u>
Total .....	.91	1.27
Discontinued window shade operations.....	<u>.02</u>	<u>.09</u>
Net income .....	<u>\$ .93</u>	<u>\$1.36</u>

See Notes to Financial Statements.





# CONSOLIDATED BALANCE SHEET

December 31, 1968 and 1967

ASSETS	December 31, 1968 (Note 1)		December 31,
	Pro Forma	Actual	1967
(In Thousands of Dollars)			
Current Assets:			
Cash .....	\$ 1,961	\$ 2,197	\$ 7,030
Cash and current portion of promissory note received in the sale of Illinois Shade Division.....	3,100		
Accounts receivable, less allowance for doubtful accounts.....	13,318	14,961	12,510
Inventories (Note 3) .....	16,225	19,735	17,725
Prepaid income taxes.....	255	255	
Prepaid expenses .....	613	706	257
Total current assets.....	35,472	37,854	37,522
Noncurrent Portion of Promissory Note Received in the Sale of Illinois Shade Division .....	3,900		
Investment in Filtrol Corporation.....	61,238		
Property, Plant and Equipment (Note 4):			
Land .....	364	467	410
Buildings, machinery and equipment.....	34,641	38,130	34,900
Accumulated depreciation .....	(19,812)	(21,231)	(19,681)
Property, plant and equipment.....	15,193	17,366	15,629
Leased Flight Equipment, at cost less accumulated depreciation of \$12,538,000 in 1968 and \$12,078,000 in 1967 (Note 5).....	8,265	8,265	10,290
Other Assets:			
Prepaid income taxes (Note 6).....	1,453	1,453	1,207
Other .....	1,442	1,442	788
Total other assets.....	2,895	2,895	1,995
Total .....	\$126,963	\$66,380	\$65,436

See Notes to Financial Statements.



LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 1968 (Note 1)		December 31,
	Pro Forma	Actual	1967
	(In Thousands of Dollars)		
Current Liabilities:			
Notes payable to banks.....	\$ 4,639	\$ 4,639	\$12,713
Accounts payable .....	8,801	9,186	6,257
Federal income taxes.....			290
Accrued expenses .....	2,252	2,522	2,496
Current instalments of long-term debt.....	4,032	4,032	3,643
Total current liabilities.....	19,724	20,379	25,399
Long-Term Debt (Note 7).....	17,330	17,330	13,943
Deferred Credits:			
Rental income on leased flight equipment (Note 5).....	3,579	3,579	4,019
Investment tax credit (Note 6).....	756	756	994
Total deferred credits.....	4,335	4,335	5,013
Shareholders' Equity:			
Capital stock (Note 8):			
Cumulative preferred stock—authorized 5,000,000 shares of no par value:			
Series A \$1.75 cumulative convertible preferred stock—authorized 2,622,544 shares; pro forma outstanding 1,345,881 shares (preference on liquidation \$24,226,000 and convertible into two shares of common stock) .....	61,238		
Common stock—authorized 12,000,000 shares of no par value; outstanding 3,080,753 shares in 1968 (2,993,690 shares in 1967).....	23,273	23,273	21,809
Retained earnings (deficit) (Note 7).....	1,063	1,063	(728)
Total shareholders' equity.....	85,574	24,336	21,081
Total .....	\$126,963	\$66,380	\$65,436

See Notes to Financial Statements.





## STATEMENTS OF COMMON STOCK AND CONSOLIDATED RETAINED EARNINGS

For the Year Ended December 31, 1968

	Common Stock		Consolidated Retained Earnings
	Shares	Amount	
		(In Thousands of Dollars)	
Balance at Beginning of Year:			
As previously reported.....	1,941,114	\$12,944	\$ 4,558
Adjustments for acquisition of Drew Chemical Corporation (Note 1)....	459,807	5,480	(4,856)
As restated .....	2,400,921	18,424	(298)
Add (deduct):			
Net income for the year.....			2,814
Acquisitions of companies (Note 1):			
Airetron Engineering Corporation.....	37,500	750	
Menardi & Company.....	20,833	453	(49)
Conversion of 5½% subordinated debentures (Note 1).....	409,000	2,022	
Exercise of warrants and rights (Note 1).....	173,769	1,738	
Exercise of options under employees' stock option plans (Note 8).....	28,730	155	
Costs and expenses incurred and shares issued in connection with acquisition of Drew Chemical Corporation (Note 1).....	10,000	(269)	
Cash dividends paid:			
On common stock—\$.32 a share.....			(974)
On preferred stocks of Drew Chemical Corporation retired in February 1968 (including arrearages of \$399,000 at December 31, 1967) (Note 1) .....			(430)
Balance at End of Year (Notes 1 and 7) .....	3,080,753	\$23,273	\$ 1,063

## STATEMENT OF SOURCE AND APPLICATION OF CONSOLIDATED FINANCIAL RESOURCES

For the Year Ended December 31, 1968

### Source:

#### From operations:

##### Continuing operations:

Income for the year.....	\$ 2,759	
Depreciation .....	1,237	
Leased flight equipment in excess of net rental income.....	1,538	
Deferred income tax and amortization of investment tax credit.....	(482)	
Other non-cash charges against current operations.....	134	\$ 5,186

Discontinued window shade operations (Note 1).....	272	
Total .....	5,458	

#### Issuance of securities:

Cumulative preferred stock.....	61,238	
Common stock .....	1,358	
Long-term debt .....	7,250	69,846
Total source .....		\$75,304

### Application:

Investment in Filtrol Corporation (Note 1).....	\$61,238
Reduction of long-term debt.....	3,863
Additions to property, plant and equipment.....	3,191
Dividends on common stock.....	974
Other (net) .....	686
Increase in net working capital (before sale of Illinois Shade Division).....	5,352
Total application .....	\$75,304

See Notes to Financial Statements.





## NOTES TO FINANCIAL STATEMENTS

### 1. Principles of Consolidation, Acquisitions, Etc.

#### (a) Principles of consolidation:

The consolidated financial statements include the accounts of The Slick Corporation and all of its subsidiaries except companies operating in South America, for which investments are stated at equity. Intercompany accounts and transactions have been eliminated.

Accounts of consolidated foreign subsidiaries have been translated into United States dollars at appropriate exchange rates and comprise total assets of \$3,098,000 and undistributed earnings of \$825,000 at December 31, 1968 and net income of \$435,000 for the year 1968.

#### (b) Acquisitions during 1968:

In February 1968 Slick acquired, in a transaction accounted for as a pooling of interests, all of the outstanding common stock of Drew Chemical Corporation in exchange for 459,807 shares of common stock and accordingly the financial statements include the accounts of Drew for both years. Concurrent with this transaction Slick advanced, from its available funds supplemented by \$2,500,000 of bank borrowings, \$7,206,000 to Drew in order that Drew could retire all of its outstanding preferred stock (\$3,776,000 plus \$430,000 for accumulated dividends, of which \$399,000 was in arrears at December 31, 1967), retire \$1,000,000 of 6% junior subordinated notes, and add \$2,000,000 to working capital.

In June 1968 Slick acquired, in a transaction accounted for as a purchase, the net assets of Airetron Engineering Corporation in exchange for 37,500 shares of common stock with additional shares payable contingent upon future earnings of the Pulverizing Machinery Division. It is not the present intention of management to amortize the excess of cost over net tangible assets acquired in this transaction.

In December 1968 Slick acquired, in a transaction accounted for as a pooling of interests, all of the outstanding common stock of Menardi & Company in exchange for 20,833 shares of common stock with additional shares payable contingent upon future earnings of that company and certain related operations. The financial statements have not been restated for the accounts of Menardi for periods prior to the date of acquisition because the effect is minimal.

#### (c) December 31, 1968 pro forma adjustments:

Pro forma adjustments have been reflected in the balance sheet at December 31, 1968 to give effect to the following 1969 transactions:

(i) Acquisition of a majority interest in Filtrol Corporation common stock for 1,345,881 shares of Series A \$1.75 cumulative convertible preferred stock (convertible into two shares of common stock) in connection with an exchange offer approved by the shareholders on February 3, 1969. Such investment is stated at the quoted market value of Filtrol Corporation common stock on March 21, 1969, the date the exchange offer was terminated. On April 1, 1969 Filtrol Corporation brought an anti-trust suit seeking to prevent Slick from exercising its voting control; in the opinion of counsel for Slick, this action is without merit.

(ii) Sale of the net assets of the Illinois Shade Division substantially at net asset value as of February 28, 1969 for \$1,600,000 in cash and \$5,400,000 in a 7% note due March 1, 1971. The earnings of this Division have been reported as discontinued operations for 1968 and 1967.

#### (d) December 31, 1967 pro forma adjustments:

The December 31, 1967 balance sheet reflects pro forma adjustments reported in the 1967 Annual Report to Shareholders to give effect to certain 1968 transactions as if they had occurred at December 31, 1967:

(i) Transactions concurrent with acquisition of common stock of Drew as stated above, including estimated cash expenses of \$375,000 in connection with such acquisition.

(ii) Conversion prior to March 14, 1968 of \$2,045,000 of 5½% convertible subordinated debentures of Slick into 409,000 shares of common stock, with a related deduction of \$23,000 for unamortized debt expense.

(iii) Exercise in February 1968 of warrants and rights to purchase 173,769 shares of common stock at \$10 a share for proceeds of \$1,738,000.

#### (e) Discontinued window shade operations:

The results of the window shade operations which were sold in 1969 are summarized as follows:

	1968	1967
	(in thousands)	
Net sales .....	\$10,886	\$9,939
Costs and expenses:		
Cost of goods sold.....	7,993	6,933
Selling, general and administrative expenses ....	2,548	2,412
Depreciation .....	217	210
Other .....	11	5
Total .....	10,769	9,560
Income before federal income tax .....	117	379
Charge for federal income tax..	62	136
Income of discontinued operations .....	\$ 55	\$ 243

### 2. Per Common Share Data:

Income per share is based on the weighted average number of shares of common stock outstanding during each year after giving effect retroactively to the shares issued in the pooling



## NOTES TO FINANCIAL STATEMENTS—(Continued)

of interests with Drew in February 1968 and to the shares issued upon conversion of 5½% convertible subordinated debentures which were classified as residual securities (securities which derive a major portion of their value from conversion rights). In computing per share data preferred dividend requirements through February 1968 (see Note 1(b)) have been deducted from, and interest (less related tax effect) on the 5½% convertible subordinated debentures have been added to, income of continuing operations before extraordinary item.

### 3. Inventories:

Soybean and cottonseed oil inventories are stated principally at the lower of average cost or market and all other inventories are stated generally at average or first-in, first-out cost which is not in excess of market. Inventories are summarized as follows:

	1968		1967
	Pro Forma	Actual	
	(in thousands)		
Finished goods .....	\$ 7,978	\$ 9,833	\$ 8,614
Work in process .....	2,920	3,352	2,896
Raw materials .....	5,327	6,550	6,215
Total .....	<u>\$16,225</u>	<u>\$19,735</u>	<u>\$17,725</u>

### 4. Property, Plant and Equipment:

Property, plant and equipment is stated at cost. For financial reporting purposes depreciation is computed on the straight-line method over estimated useful lives which range from twenty-five to fifty years for buildings and from three to thirty-three years for machinery and equipment. Buildings, machinery and equipment consisted of the following:

	1968		1967
	Pro Forma	Actual	
	(in thousands)		
Buildings .....	\$ 6,532	\$ 8,014	\$ 6,687
Machinery and equipment...	26,640	28,551	26,614
Construction in progress....	1,469	1,565	1,599
Total .....	<u>\$34,641</u>	<u>\$38,130</u>	<u>\$34,900</u>

### 5. Leased Flight Equipment and Warrants to Purchase Common Stock of Airlift International, Inc.:

In connection with the transfer of the operating assets of the former Airways Division to Airlift International, Inc. in 1966, aircraft and spare engines were leased for a ten-year period. Rents collected, including initial and accelerated payments, are being credited to income in amounts equal to the sum of the depreciation on the assets leased and the interest on the unrecovered cost of such assets. The leased assets have an

estimated residual value of \$1,473,000 and are being depreciated over a six-year period ending June 1972.

Slick received warrants to purchase 984,960 shares of Airlift common stock at an aggregate exercise price of \$3,648,000 during the period July 1968 through June 1972. One-fourth of such warrants expire at the end of each year if not exercised and these warrants cannot be sold or transferred without Airlift's consent.

Slick also transferred to Airlift its certificate of public convenience and necessity for the carriage of airfreight in the United States and, upon approval by the Civil Aeronautics Board in 1968, became entitled to receive additional warrants to purchase 1,451,877 shares of common stock and \$3,125,000 of debentures of Airlift during the period July 1968 to July 1978 at an aggregate initial exercise price of \$7,800,000. In addition, Slick will be entitled to receive warrants to purchase an amount equal to ten per cent of Airlift's common stock and convertible securities issued during the ten-year period. These warrants may not be sold or transferred without Airlift's consent during the first six years and are not exercisable during the first two years.

Any common stock of Airlift acquired upon exercise of the warrants will be deposited in a voting trust and can only be released from such voting trust by a public offering. Under Slick's guaranty agreement with respect to the Drew debt, the aggregate of annual investment in Airlift securities and dividends paid in the preceding year is restricted to fifty per cent of consolidated net income for such preceding year.

### 6. Income Taxes:

Provision for federal income tax includes deferred tax credits of \$244,000 (including \$118,000 adjustment of prior years' taxes) in 1968 and \$144,000 in 1967.

Prepaid income taxes are attributable principally to taxes paid on rental income relating to leased flight equipment, net of reductions of \$351,000 resulting from the use, for tax purposes only, of accelerated depreciation methods on leased flight equipment and other properties.

The deferred investment tax credit relates to aircraft leased to Airlift and is being credited to income ratably to June 1972. Investment tax credits on current additions to properties, \$81,000 in 1968 and \$22,000 in 1967, are credited to income as realized.

No income taxes were paid by Drew and its subsidiaries during the period because of operating loss carryforwards from prior years. In the statement of consolidated income the amount equivalent to the reduction in income taxes of Drew arising from the utilization of such operating loss carryforwards has been charged to income of continuing operations before extraordinary item with an offsetting credit as an extraordinary item. At December 31, 1968 the operating loss carryforwards available to Drew and its subsidiaries aggregated approximately \$3,175,000, of which \$1,700,000 expires in 1969 and \$1,475,000 in 1970.

The Internal Revenue Service has proposed certain adjustments relating principally to investment credits on leased flight equipment for 1965 and 1966. Management is of the opinion that the items in question have been properly treated for tax purposes. Under the lease agreement with Airlift, the lessee is obligated to Slick for the amount of any investment tax credit lost and any interest and penalties resulting therefrom.



## NOTES TO FINANCIAL STATEMENTS—(Continued)

### 7. Long-Term Debt:

Long-term debt consisted of the following:

	<u>1968</u>	<u>1967</u>
	(in thousands)	
Notes payable to banks due in instalments through 1973 (interest currently at 1/2% above prime rate) .....	\$10,350	\$ 3,800
5 1/2% and 6% equipment trust certificates payable in instalments through 1969.....	1,113	3,324
5 1/4% and 7% sinking fund notes payable in instalments through 1975 .....	2,275	2,625
5% subordinated notes payable in instalments through 1972..	1,692	1,942
6% subordinated notes payable in instalments from 1970 through 1982 .....	5,520	5,520
6% mortgage note payable in instalments through 1978....	412	375
Total .....	21,362	17,586
Less instalments included in current liabilities .....	4,032	3,643
Net .....	<u>\$17,330</u>	<u>\$13,943</u>

Pursuant to the loan agreement with banks and the guaranty agreement with respect to Drew debt, the amount of annual dividends Slick can pay on its common stock is restricted to the current annual dividend rate of \$.32 a share. Waivers have been obtained from lenders to permit payment of \$1.75 annual dividend on preferred stock.

Under various loan agreements the companies are required to maintain certain net asset requirements and are restricted as to the amount of additional indebtedness, investments, capital expenditures, and long-term rental obligations.

The common stock of Drew is pledged as collateral to the guaranty agreement with respect to Drew bank debt and the capital stock of Slick Industrial Company is pledged as collateral to the sinking fund notes.

### 8. Capital Stock:

An increase in the authorized capitalization of Slick to 12,000,000 shares of common stock and 5,000,000 shares of preferred stock (of which 2,622,544 shares, designated as Series A \$1.75 cumulative convertible preferred stock and convertible into two shares of Slick common stock, were authorized in connection with the exchange offer for all of the outstanding common stock of Filtrol Corporation) was approved by the shareholders at a special meeting on February 3, 1969.

Transactions during 1968 in the 1960 and 1967 Stock Option Plans, which provide for the granting of options to officers and key employees to purchase common stock of Slick at prices not less than the fair market value at the date of grant, are summarized as follows:

	<u>Shares</u>	<u>Amount</u>
	(in thousands)	
Options outstanding, December 31, 1967.....	16,500	\$ 92
Transactions during 1968:		
Granted .....	78,850	1,982
Exercised .....	(3,700)	(21)
Cancelled .....	(1,000)	(26)
Options outstanding, December 31, 1968.....	<u>90,650</u>	<u>\$2,027</u>

Under the terms of the agreement relating to the acquisition of Drew, 25,030 shares of Slick common stock were substituted for Drew shares reserved under Drew's stock option plan; all such options were exercised for \$134,000 in May 1968.

### 9. Retirement Plans:

The companies have various plans covering the majority of their employees which contain varying provisions pertaining to retirement age, vesting of rights, etc. Costs of the plans, including amortization of prior service costs over a forty-year period commencing 1967 for Slick and 1968 for Drew, amounted to \$720,000 in 1968 and \$606,000 in 1967. Except for such amortization, the companies fund all pension costs accrued. Based on the latest actuarial computations the vested benefits on a consolidated basis exceeded the total of the fund assets and balance sheet accruals by approximately \$1,600,000 and unfunded prior service costs amounted to approximately \$3,150,000.

### 10. Commitments and Contingent Liabilities:

Annual rentals under long-term lease agreements for tank cars, manufacturing facilities and office premises aggregated approximately \$900,000 (exclusive of mileage credits on tank cars) at December 31, 1968.

A subsidiary has entered into purchase contracts amounting to \$1,788,000 at December 31, 1968 with a company, in which certain officers are also directors and officers, in order to facilitate the importation of vegetable oils for the benefit of the subsidiary.

There are suits pending against the companies for which the ultimate amount of such liability is not determinable at this time. However, management and counsel are of the opinion that any required payments would not have a material effect on the consolidated financial condition or consolidated results of operations of the companies.



# FILTROL CORPORATION

## STATEMENT OF INCOME AND EARNED SURPLUS

For the Years Ended December 31, 1968 and 1967

	1968	1967
	(In Thousands of Dollars)	
Gross Income .....	\$24,612	\$18,810
Cost and Expenses (exclusive of items shown below) .....	14,813	13,214
Depreciation and Amortization .....	335	296
Research and Development .....	269	901
Total Cost and Expenses .....	15,417	14,411
Income Before Federal Income Tax .....	9,195	4,399
Federal Income Tax .....	3,415	925
NET INCOME (per share—\$2.20 in 1968, \$1.32 in 1967) .....	5,780	3,474
Earned Surplus, January 1 .....	25,878	27,216
Cash Dividends (\$1.40 per share) .....	(3,672)	(3,672)
Excess of Transfer to Common Stock over Transfer from Paid-In Surplus in Connection with 100% Stock Dividend .....		(1,140)
Earned Surplus, December 31 .....	<u>\$27,986</u>	<u>\$25,878</u>

## BALANCE SHEET

December 31, 1968 and 1967

		ASSETS	
		1968	1967
		(In Thousands of Dollars)	
CURRENT ASSETS:			
Cash .....		\$ 416	\$ 1,226
Short term securities (at cost, plus accrued interest).....		23,277	20,087
Trade receivables .....		2,684	2,312
Inventories (lower of average cost or market).....		1,333	1,621
Prepaid expenses .....		184	164
TOTAL CURRENT ASSETS.....		27,894	25,410
OTHER INVESTMENTS (at cost).....		4,291	2,271
PLANTS, PROPERTY AND EQUIPMENT (at cost, less accumulated depreciation and amorti- zation, 1968—\$15,711,000; 1967—\$15,385,000).....		2,066	1,871
TOTAL .....		<u>\$34,251</u>	<u>\$29,552</u>
		LIABILITIES	
CURRENT LIABILITIES:			
Accounts payable and accrued expenses.....		\$ 1,096	\$ 914
Federal income tax.....		2,541	132
TOTAL CURRENT LIABILITIES.....		3,637	1,046
CAPITAL STOCK AND SURPLUS:			
Common stock (authorized 5,000,000 shares; outstanding, after deducting 5,360 treasury shares, 2,622,544 shares).....		2,628	2,628
Earned surplus .....		27,986	25,878
TOTAL CAPITAL STOCK AND SURPLUS.....		30,614	28,506
TOTAL .....		<u>\$34,251</u>	<u>\$29,552</u>

Note: Federal Income Tax Returns for the years 1958 through 1961 have been audited by the Internal Revenue Agent. The company did not accept certain adjustments proposed by the Revenue Agent because tax returns for these years and for all subsequent years were filed on the same basis that had been accepted by the Internal Revenue Service for prior years. The Internal Revenue Service has placed this matter in suspense.





## THE SLICK CORPORATION

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### DIRECTORS

**Albert L. Butler, Jr.**

*President of Arista Mills Company*

**Joseph A. Frates**

*Chairman of the Board of  
The Ridge Tool Company*

**John D. McGeary**

*Partner of Auchincloss, Parker & Redpath*

**Frank J. Manheim**

*Investments; Director of Various Corporations*

**Samuel R. Milbank**

*General Partner of Wood, Struthers & Winthrop*

**\*William E. Miller**

*Partner of Steptoe & Johnson*

**Lewis J. Moorman, Jr.**

*Ranching and Investments*

**\*Joseph E. Muckley**

*Executive Vice President of  
Martin Marietta Corporation*

**\*John E. Parker**

*Vice Chairman of the Board;  
Chairman of the Executive Committee of  
The Bunker-Ramo Corporation*

**Everett H. Pixley**

*Director of Various Corporations*

**\*Earl F. Slick**

*Chairman of the Board;  
Director of Various Corporations*

**\*Charles F. Urschel, Jr.**

*President of  
Inter-Continental Motors Corporation*

**\*Robert W. Van Tuyle**

*President and Chief Executive Officer*

**\*Member of Executive Committee**

### OFFICERS

**Earl F. Slick**

*Chairman of the Board*

**John E. Parker**

*Vice Chairman of the Board*

**Robert W. Van Tuyle**

*President and Chief Executive Officer*

**Joseph P. Hughes**

*Vice President Finance and Treasurer*

**James L. Oberg**

*Vice President*

**Richard P. Taylor**

*Secretary*

### TRANSFER AGENTS

#### COMMON STOCK:

**The Chase Manhattan Bank**

*One Chase Manhattan Plaza  
New York, New York*

**First National Bank & Trust Company**

*Oklahoma City, Oklahoma*

#### PREFERRED STOCK:

**United California Bank**

*Los Angeles, California*

**The Chase Manhattan Bank**

*One Chase Manhattan Plaza  
New York, New York*

### REGISTRARS

#### COMMON STOCK:

**United States Trust Company of New York**

*45 Wall Street, New York, New York*

**First National Bank & Trust Company**

*Oklahoma City, Oklahoma*

#### PREFERRED STOCK:

**Security Pacific National Bank**

*Los Angeles, California*

**United States Trust Company of New York**

*45 Wall Street, New York, New York*

### GENERAL COUNSEL

**Steptoe & Johnson**

*Washington, D. C.*

### INDEPENDENT ACCOUNTANTS

**Haskins & Sells**

*New York, New York*





**THE SLICK CORPORATION**

522 FIFTH AVENUE, NEW YORK, NEW YORK 10036

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**DREW CHEMICAL CORPORATION**

New York, New York — Boonton, New Jersey — Lindsay, California

**DREW FOODS CORP.**

*St. Louis, Missouri*

**DREW AMEROID INTERNATIONAL CORPORATION**

*New York, New York*

**DREW QUIMICA ARGENTINA S.A.I.C.**

*Buenos Aires, Argentina*

**DREW PRODUTOS QUIMICOS, LTDA.**

*Sao Paulo, Brazil*

**DREW CHEMICAL LIMITED**

*Ajax, Ontario, Canada*

**DREW CHEMICAL (U.K.) LIMITED**

*London, England*

**DREW CHEMICAL (NEDERLAND) N.V.**

*Rotterdam, Holland*

**DREW AMEROID ITALIANA S.R.L.**

*Genoa, Italy*

**DREW CHEMICAL (DEUTSCHLAND) GMBH**

*Hamburg, West Germany*

**SLICK INDUSTRIAL COMPANY — PULVERIZING MACHINERY DIVISION**

Summit, New Jersey — Midland Park, New Jersey

**MENARDI & COMPANY**

*Torrance, California*

**SLICK INDUSTRIAL COMPANY CANADA LIMITED**

*Toronto, Ontario, Canada*

**MIKROPUL, LTD.**

*Shoeburyness, Essex, England*

**PULVERIZING MACHINERY GMBH**

*Cologne, West Germany*

**FILTROL CORPORATION**

Los Angeles, California — Vernon, California

Salt Lake City, Utah — Jackson, Mississippi